



# City of Chicago



O2015-8266

Office of the City Clerk

## Document Tracking Sheet

**Meeting Date:** 11/18/2015

**Sponsor(s):** Lopez (15)  
Moreno (1)  
Solis (25)  
Reboyras (30)  
Ramirez-Rosa (35)  
Sadlowski Garza (10)  
Santiago (31)  
Villegas (36)  
Foulkes (16)  
Napolitano (41)  
Hairston (5)  
Zalewski (23)  
Scott, Jr. (24)  
Mitchell (7)  
Sawyer (6)  
Curtis (18)  
Moore (17)  
Waguespack (32)  
Cardenas (12)  
Hopkins (2)  
Brookins (21)  
Sposato (38)  
Mitts (37)  
O'Shea (19)

**Type:** Ordinance

**Title:** Amendment of Municipal Code Chapter 4-156 concerning regulation of video gaming terminals

**Committee(s) Assignment:** Committee on Finance

## ORDINANCE

### BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHICAGO:

**SECTION 1.** Chapter 4-156 of the Municipal Code of Chicago is hereby amended by deleting the language struck through and by inserting the language underscored, as follows,

#### **4-156-010 Definitions.**

For purposes of this chapter:

"Amusement" means: (1) any exhibition, performance, presentation or show for entertainment purposes, including, but not limited to, any theatrical, dramatic, musical or spectacular performance, promotional show, motion picture show, flower, poultry or animal show, animal act, circus, rodeo, athletic contest, sport, game or similar exhibition such as boxing, wrestling, skating, dancing, swimming, racing, or riding on animals or vehicles, baseball, basketball, softball, football, tennis, golf, hockey, track and field games, bowling or billiard or pool games; (2) any entertainment or recreational activity offered for public participation or on a membership or other basis including, but not limited to, carnivals, amusement park rides and games, bowling, billiards and pool games, dancing, tennis, racquetball, swimming, weightlifting, bodybuilding or similar activities; or (3) any paid television programming, whether transmitted by wire, cable, fiber optics, laser, microwave, radio, satellite or similar means.

"Arcade" means a place of amusement that includes four or more automatic amusement devices; provided, however, that when calculating the number of automatic amusement devices, jukeboxes and video gaming terminals shall not be counted.

#### **4-156-150 Definitions.**

As used in this chapter:

"Automatic amusement device" means any machine, which, upon the insertion of a coin, slug, token, card or similar object, or upon any other payment method, may be operated by the public generally for use as a game, entertainment or amusement, whether or not registering a score, and includes but is not limited to such devices as jukeboxes, video gaming terminals, marble machines, pinball machines, movie and video booths or stands and all games, operations or transactions similar thereto under whatever name by which they may be indicated. Bingo devices are deemed gambling devices and are therefore prohibited for use except as provided by state law. If a machine consists of more than one game monitor which permits individuals to play separate games simultaneously, each separate game monitor shall be deemed an automatic amusement device.

"Illegal amusement device" means an automatic amusement device that: includes a knock-off circuit; or allows more than ten replays or free games, or maintains a count of payoffs or the number of times a person has won a game played on the device; or maintains a tally of players' scores other than the tally displayed to players; or fails to display in the required

manner a tax emblem required by chapter; or has been used for illegal gambling. "Illegal amusement device" does not include a device that properly displays a required tax emblem, that is not used for illegal gambling and that qualifies either as a crane game as defined in the Illinois Criminal Code of 1961 or as a redemption machine as defined in the Illinois Criminal Code. An automatic amusement device shall not be deemed an illegal automatic amusement device because of internal diagnostic devices or capabilities that are able to record and maintain statistical data such as the number of coins or tokens deposited, the number of games played or the number of games won, if such diagnostic devices or capabilities are intended and used exclusively for auditing of game performance. Notwithstanding any other provision of this section, a video gaming terminal licensed and lawfully maintained and operated under the Video Gaming Act, 230 ILCS 40, shall not be deemed an illegal amusement device.

"Knock-off circuit" means any mechanical or electrical device, circuitry or modification on an automatic amusement device, whereby free games shown on an externally visible indicator are released, while a record of games so released is maintained on a second indicator, meter or counter, either inside or outside the device. A reset button installed by the manufacturer of the automatic amusement device shall not, without more, constitute a knock-off circuit.

The phrase "more than ten replays or free games" means more than ten replays or free games at one time. "Free game or replay" does not include an extension of a game awarded as a result of the player's skill, such as an extra ball in a pinball game or extended playing time in a video game.

"Payoff" means the giving of money or other thing of value in exchange for a player's accumulated points or free games or replays.

The phrase "a count of payoffs or the number of times a player has won a game played on the device" means a tally, whether on paper, mechanical or electronic, and regardless of whether maintained inside, on or outside the automatic amusement device. The phrase is not intended to include a record of scores, accessible to players of the device, and linked to previous players' names, nicknames, initials or other identifiers, for purposes of comparison and competition.

The phrase "tally of players' scores other than the tally displayed to players" does not include a record of scores, accessible to players of the device, and linked to previous players' names, nicknames, initials or other identifiers, for purposes of comparison and competition.

"Video gaming terminal" has the definition given to the term in Section 5 of the Video Gaming Act, 230 ILCS 40/5.

#### **4-156-160 Tax imposed.**

An annual tax in the amount of \$150.00 for each calendar year is imposed upon all automatic amusement devices that are not video gaming terminals operated for gain or profit per device; and an annual tax in the amount of \$1,000.00 for each calendar year is imposed

upon all automatic amusement devices that are video gaming terminals operated for gain or profit per device.

**4-156-170 Tax emblem.**

The automatic amusement device tax shall be paid by the owner of such device to the city clerk. The city clerk shall issue as evidence of the payment of the tax a self-voiding adhesive tax emblem to be placed on each device. Such emblem shall bear the words "City of Chicago Amusement Device Tax", the names of the mayor and the city clerk, an indication as to whether or not the device is a video gaming terminal, and such other wording as may be prescribed by the mayor. It shall be unlawful for any person to mutilate said tax emblem during the year for which it was issued.

**4-156-180 Installation prerequisites.**

It shall be unlawful for the owner or lessee of any premises or person in control of such premises to permit the installation or use of an automatic amusement device within the City of Chicago for gain or profit unless the tax has been paid and is evidenced by a tax emblem affixed to the automatic amusement device in a conspicuous location. Each such device shall be plainly labeled with the name, address and telephone number of its owner. No person shall remove, alter or deface the tax emblem or label required by this section, or allow use of an automatic amusement machine if the tax emblem or label has been removed, altered, defaced or become illegible. The owner or lessee of the premises where the device is placed for operation by the public and every person responsible for the premises shall be jointly and severally liable for a violation of this section.

In addition, installation of a video gaming terminal shall comply with the Video Gaming Act, 230 ILCS 40/1, et seq.

**4-156-270 Restrictions on use by minors.**

(a) No person, firm, corporation, organization or other legal entity shall permit, and it shall be unlawful for, any person under 17 years of age, who is not accompanied by a parent or legal guardian, to operate any automatic amusement device, except upon the premises of the city airports, between the hours of 8:00 a.m. and 3:00 p.m. on days in which the city's public schools are in session.

(b) No person, firm, corporation, organization or other legal entity shall permit, and it shall be unlawful for, any person under the age of 21 to play an automatic amusement device located at an establishment which sells alcoholic liquor for consumption on the premises.

The prohibition described in this subsection (b) shall not prohibit any person or legal entity to permit any person under the age of 21 to play an automatic amusement device located at an establishment validly licensed as a restaurant which sells alcoholic liquor for consumption on the premises, if the minor is accompanied by a parent or legal guardian.

(c) No person, firm, corporation, organization or other legal entity shall permit, and it shall be unlawful for, any person under the age of 21 to play an automatic amusement device that is a video gaming terminal.

**SECTION 2.** Section 4-6-120 of the Municipal Code of Chicago is hereby amended by deleting the language struck through and by inserting the language underscored, as follows,

**4-6-120 Automatic amusement operator.**

(a) **Definitions.** As used in this section:

"Automatic amusement device" means any machine, which, upon the insertion of a coin, slug, token, card or similar object, or upon any other payment method, may be operated by the public generally for use as a game, entertainment or amusement, whether or not registering a score, and includes, but is not limited to, such devices as jukeboxes, video gaming terminals, marble machines, pinball machines, movie and video booths or stands and all games, operations or transactions similar thereto under whatever name by which they may be indicated. Bingo devices are deemed gambling devices and are therefore prohibited for use except as provided by state law. If a machine consists of more than one game monitor which permits individuals to play separate games simultaneously, each separate game monitor shall be deemed an automatic amusement device.

"Automatic amusement device operator" means any person who conducts or transacts the business of distributing, placing, leasing or selling automatic amusement devices with an agreement to maintain, service or supply such device(s). The term automatic amusement device operator shall include any person that owns, maintains, or places a video gaming terminal in accordance with the Video Gaming Act, 230 ILCS 40/1, et seq.

"Video gaming terminal" has the definition given to the term in Section 5 of the Video Gaming Act, 230 ILCS 40/5.

*(Omitted text is unaffected by this ordinance)*

(e) **Legal duties.** Each licensee engaged in the business of automatic amusement operator shall have a duty to:

(1) pay all taxes required to be paid by such licensee under Chapter 4-156 of this Code;

(2) comply with all applicable requirements set forth in Chapter 4-156 of this Code;

(3) upon request of the commissioner, the comptroller or the city clerk, make available for examination all books and records of automatic amusement device operators necessary or appropriate to ensure compliance with the requirements of this chapter.

(e-1) Additional legal duties applicable to operators of video gaming terminals. Each licensee engaged in the business of operating automatic amusement device which is a video gaming terminal shall comply with the Video Gaming Act, 230 ILCS 40/1, et seq.

(f) *Prohibited acts.* It shall be unlawful for any licensee engaged in the business of automatic amusement operator to:

(1) use coercive or illegal measures to promote the distribution, placement, leasing, selling or use of any automatic amusement device;

(2) install or place any automatic amusement device in any establishment or location that is ineligible under this Code or the Video Gaming Act, 230 ILCS 40/1, et seq. to have such device(s) on its premises.

(g) Ordinance prohibiting issuance of additional automatic amusement device operator license to operate video gaming terminals – Requirements – Procedure.

(1) For purposes of this subsection (g), the term “license” means an automatic amusement device operator license to operate video gaming terminals.

(2) Notwithstanding any other provision of this section, the city council may from time to time prohibit the issuance of additional licenses in a specified area of the city, subject only to the conditions and procedures described in this subsection.

(3) An ordinance to prohibit the issuance of additional licenses in specified area must:

(i) identify the area by boundaries; and

(ii) cover an area including no less than two contiguous city blocks; and

(iii) contain a description of the conditions requiring the prohibition on the issuance of new licenses.

Both sides of each street forming the boundary of the area will be considered as within the area unless otherwise specifically stated in the ordinance establishing the area; provided, however, that (a) if an area is described by boundaries, the boundaries shall be drawn down the center of boundary streets unless otherwise specified in the ordinance establishing the area; and (b) if a street that is a boundary of the area is also a boundary of wards of the city, the middle of that street will be the boundary of the area.

(4) No ordinance to prohibit the issuance of additional licenses in a specified area may:

(i) prohibit the issuance of a new license to allow continued operation of a licensed business within the specified area by a new licensee whose application is filed within six months after passage of the ordinance; provided, however, that no application for a

successor license under this subsection shall be approved if the application review process is not completed within one year after filing the application, unless the delay in completing the process has been occasioned by the city;

(iii) prohibit the issuance of additional licenses within the specified area to applicants whose applications were pending prior to the passage of the ordinance;

(iv) be considered to take effect within one year after the repeal of an ordinance prohibiting the issuance of additional licenses within any portion of the specified area;

(v) prohibit the issuance of a license necessary to allow the relocation of a licensed business within the same specified area, or the change of officers of a corporate licensee, where the change in officers does not also involve transfer of more than five percent of the shares of the corporation.

(5) After passage of an ordinance to prohibit the issuance of additional licenses within a specified area, no ordinance may alter the area except by addition of territory or by deletion of all territory within the area. An ordinance that divides a specified area into two or more segments shall not be considered to alter that area for purposes of this subsection (5) if all of the following conditions are met: (i) the ordinance does not change the size or boundaries of the total area covered; (ii) each portion of the area so divided complies with subsection (3) of this section; and (iii) all portions of the area affected by the ordinance remain subject to all moratoria in effect at the time of passage of the ordinance for a minimum of one year following passage of the ordinance that divides the area.

(6) Upon receiving an ordinance to prohibit the issuance of additional licenses in a specified area, the city clerk shall send one copy of the ordinance to each of the following: the commissioner of business affairs and consumer protection, the corporation counsel and the alderman of each ward in which any portion of the specified area is located. The commissioner of business affairs and consumer protection shall prepare a list identifying all current licenses issued for premises within the specified area to the sponsor of the ordinance, and all pending applications for licenses within the specified area. The commissioner shall send a copy of the list to the city council committee having jurisdiction over the ordinance and to the corporation counsel. The sponsor of the ordinance shall notify each listed licensee and applicant of the introduction of the ordinance. Notices shall be sent by first class mail, postage paid, directed to the address of each licensee or applicant, as the case may be. Copies of all notices shall be filed with the department of business affairs and consumer protection.

(7) No member of the city council or other municipal officer shall introduce, and no committee of the city council shall consider or recommend, any ordinance that is contrary in any way to any of the requirements of subsections (3) through (5). No member of the city council shall propose, and no committee of the city council shall consider, any amendment to an ordinance which, if passed, would render the ordinance contrary to any of the requirements of subsections (3) through (5). No officer or employee of the city shall enforce any ordinance that is contrary to any of the requirements of subsections (3) through (5). No member of the city

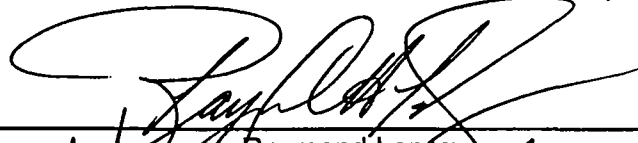
council may recommend action on, and no committee of the city council shall consider, any ordinance to prohibit issuance of additional licenses within a specified area until all required notices have been given.

**SECTION 3.** Section 8-12-010 of the Municipal Code of Chicago is hereby amended by deleting the language struck through and by inserting the language underscored, as follows,

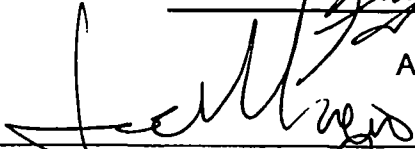
**8-12-010 Gambling prohibited.**

No person shall play or engage in faro, roulette, or gambling for money or other valuable thing, or in any other device or game of chance, hazard, or skill, either as bookmaker, dealer, keeper, player, or otherwise, for the purpose of gaming or gambling for money or other valuable thing. Nothing in this chapter shall be construed to prevent ~~eleemosynary, religious or charitable institutions from conducting raffles, the proceeds of which benefit persons by enhancing their opportunity for religious or educational advancement; by relieving or protecting them from disease, suffering or distress; by contributing to their physical well-being; by assisting them in establishing themselves in life as worthy and useful citizens; or by increasing their comprehension of and devotion to the principles upon which this nation was founded~~ prohibit any conduct authorized by Illinois Lottery Law, the Illinois Horse Racing Act, the Raffles and Poker Runs Act, the Illinois Pull Tabs and Jar Games Act, the Bingo License and Tax Act, the Charitable Games Act or the Video Gaming Act.

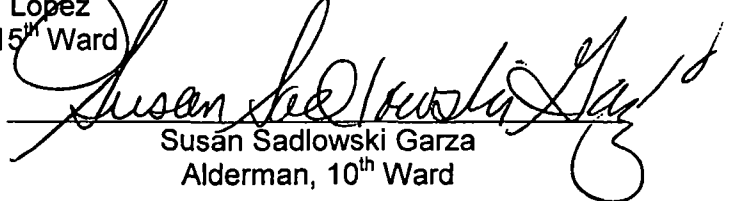
**SECTION 4.** This ordinance shall take effect 30 days after passage and publication.



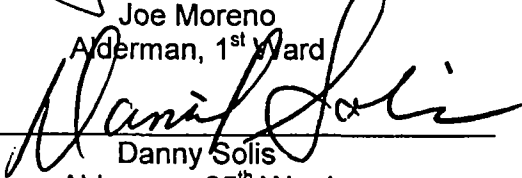
Raymond Lopez  
Alderman, 15<sup>th</sup> Ward



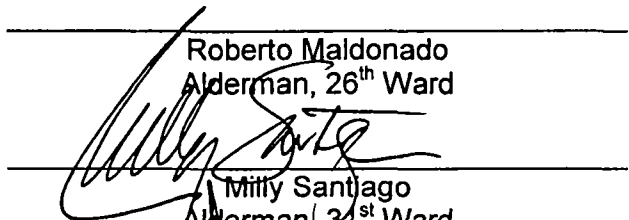
Joe Moreno  
Alderman, 1<sup>st</sup> Ward



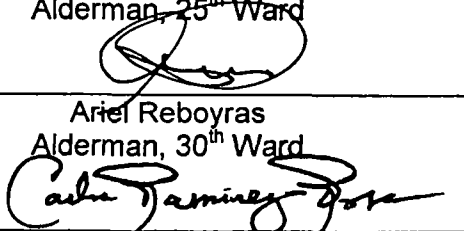
Susan Sadlowski Garza  
Alderman, 10<sup>th</sup> Ward



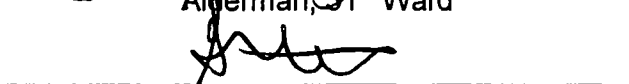
Danny Solis  
Alderman, 25<sup>th</sup> Ward



Roberto Maldonado  
Alderman, 26<sup>th</sup> Ward



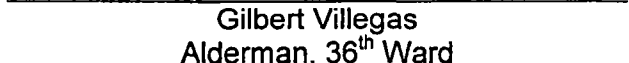
Ariel Reboyras  
Alderman, 30<sup>th</sup> Ward



Mitty Santiago  
Alderman, 31<sup>st</sup> Ward



Carlos Ramirez Rosa  
Alderman, 35<sup>th</sup> Ward



Gilbert Villegas  
Alderman, 36<sup>th</sup> Ward



Ann Miller 16<sup>th</sup>

Mary O'R 19

~~John~~ 41<sup>st</sup>

Leslie Houston 5<sup>th</sup>

James Jones 23

John Scott 24

Robert A J 16)

~~Donald~~ 37

Donald Carter 18

Mike 17

W. W. Wagoner 32

W. A. Carl 12<sup>th</sup>

B. M. Hoffman 2

~~Howard~~ 24

Walter Grant 38<sup>th</sup>  
37<sup>th</sup>

Anna Pitt